

GENDER PAY GAP REPORTING AND PAY GAP TRANSPARENCY



Date	Monday 28th February 2022
Time	15:15 – 16:00
Venue	Virtual meeting conducted via Zoom
Chair	Flick Drummond MP
Speakers	<p>Jemima Olchawski Chief Executive at The Fawcett Society</p> <p>Josie Irwin National Women’s Officer at Unison</p> <p>Dianne Greyson Director at Equilibrium Mediation Consulting</p> <p>Caitlin Schmid PhD Candidate researching the construction and policy uses of gender equality indices with a particular interest in measurements of unpaid work.</p>
Theme/ Background information	This meeting will look at the effectiveness of the UK’s current gender pay reporting requirements and what challenges remain within the gender pay gap. We will also explore the topic of pay transparency.

MINUTES

Flick Drummond MP opened the APPG welcoming all attendees and speakers to the meeting. She noted that she will be standing as Co Chair at the upcoming group AGM and is delighted to return to the post and to continue the important work that it takes on. Flick then handed over to the Secretariat Connect, to oversee the remainder of the meeting and panel discussion due to an urgent question on the situation in Ukraine.

The first speaker was **Jemima Olchawski**, the chief executive of The Fawcett Society.

Jemima started by explaining that The Fawcett Society is leading gender equality and women's rights charity. She started by explaining that due to gender pay gap reporting, the gender pay gap is becoming more of everyone’s business, and happens even in places where we may not first expect.

Jemima noted that though there is progress towards closing the gap, women only earn 88% of every pound that a man earns, highlighting that this progress is slow. Although gender pay gap reporting has been an important step, we need action plans alongside these reports to actually help close the gap. The voluntary approach to gender pay gap reporting is not working, as only around half of employers publish a narrative with their pay gap statistics, and only around one in five have any real meaningful action plan associated with it.

Jemima explained that the threshold needs to be lowered. Currently, it's only employers with over 250 staff employees that need to report their gender pay gap. Jemima noted that she wants us to look to countries such as Australia, South Africa, Iceland, Finland and others who have a threshold of a hundred or below. Moreover, she explained that we need to have an intersectional database. She explained that we know, that the pay gap for black African women is significantly higher over 19%, and until we have that data, we can't begin to take a more nuanced approach to driving driving that down.

She stated that there needs to be a focus on other factors to help women in the workplace. There needs to be an end salary history questions. She explained that these questions import that unfairness and inequality into new organisation. There must also be a right to know to ensure women have the information they need to be able to show that there is a male comparative doing that work and being paid more.

Jemima noted that the systems for challenging unequal pay is individualised with individual women challenging their employers, but the information isn't available at the individual level, therefore she stated that we need to level the playing field and create a right to know.

Josie Irwin, the National Women's Officer at Unison was then welcomed to join the conversation.

Josie began by explaining why Unison considers current gender pay gap reporting requirements inadequate on their own to close the gender pay gap. Josie explained that Unison is the UK's largest trade union with over 1.3 million members. Over 1 million members are women which also makes us the UK's largest women's organisation. Josie explained that as Unison's National Women's officer, her job is to identify concerns for women in the workplace and in wider society and ensure that these are incorporated in their national and local bargaining strategies.

Josie noted that back before COVID, in 2019 the median average gap for public sector employers was just over 14%. She explained that despite a predominantly female workforce in the NHS, and the national pace system put in place more than 15 years ago to prevent pay inequality 60 trusts had gaps that were bigger than 14%. She noted that local councils did better overall, but 17 of those councils reported gaps bigger than 20% and 96 reported gaps more than 10%. Nearly half of police forces reported gaps above 20%.

Josie explained that when we look at 2021 data the overall gender pay gap increased to a median of just over 15%. She explained that she is wary about this as this could be a moment in time or part of a longer trend in the aftermath of COVID due to caring responsibilities for children and sometimes for older adults. Josie also noted that she is wary about the focus of top line figures, suggesting a need to go beneath these to see the real picture and then arrive at the solutions.

It's therefore essential to look at what's happening between and within different pay grades in an organisation to compare full and part time workers. Age, caring responsibilities, departments and sectors all must be focused upon to enable us to gain a whole picture approach.

Josie explained that in 2019, Unison agreed on a long term strategy to achieve change including a campaign to raise their member's awareness at national level of the gender pay gap issues, with a focus on the intersectional issues too. Josie noted that this combines with their gender pay

gap trailblazer project, which uses policy to develop gender pay gap action plans, in partnership with employers. She explained that until society values the caring roles women tend to do the pay gap will remain wide, hence why they are calling on the government for the right to flexible working.

Dianne Greyson, director of Equilibrium Mediation Consultation and founder of the Ethnicity Pay Gap Campaign, was introduced next.

Dianne began by introducing herself and the work of her campaign. She noted that she has been campaigning on nurses pay gaps for almost four years and has unfortunately seen very slow progress in the government. For Black, Asian and other ethnic women who are suffering from these pay disparities this is impacting their mental health and physical health.

Dianne noted that their companies research noted that over 52% of respondents have had experience of paid disparities based in between 3010 1000 per annum. Dianne stated that even outside of this report, she was contacted by a lady on Twitter who said her disparity of pay was 50,000. The gender and ethnicity pay gap report conducted by the House of Lords noted that progress against the ethnicity pay gap and gender pay gap moved slowly.

Dianne noted the need to also look at external factors that are harmful, especially to women of colour. For example, a decade of austerity, cuts in tax benefits and public spending on services, all of which has disproportionately impacted BME women who are more impacted by cuts to social security systems and public services as a result of structural inequalities. This therefore means they are less likely to own their own homes or cars and have more responsibility for unpaid domestic work. Research shows that BME families have experienced a drop of living standards by over 8400 pounds a year because austerity changes.

Dianne shared that The Independent newspaper published that ethnic workers could be paid £225,000 less than their white counterparts in their lifetime. The gap could be significantly wider for women who are black, Asian or are representative of other ethnic groups because they are penalised twice due to the gender pay gap.

She explained that only today, there has been news explaining that there has been a 50% drop in organisations reporting the ethnicity pay gap, further highlighting the need for ethnicity pay gap reporting to be mandatory.

Caitlin Schmid, a PhD candidate at the University of Manchester, was welcomed to give her talk.

Caitlin began by thanking the APPG for inviting her to speak. She explained that she is looking at the complexities of measuring gender equality and the implications for policy development. Caitlin noted that the gendered division of unpaid work is both a cause and consequence of the gender pay gap.

Caitlin explained that she as a research associate had completed research with the Global Institute for Women's Leadership at King's College London assessing the effectiveness of the gender pay gap reporting regimes in six countries. They analysed the gender pay gap reporting frameworks in these countries by interviewing a range of stakeholders to see how they perceived the gender pay gap reporting system, how effective it is and its strengths and weaknesses.

Despite some significant variation between the countries context's and also the legal frameworks, certain themes kept coming up in the interviews. Caitlin explained that this allowed them to shape their recommendations and construct a scorecard to rank the countries based on a set of indicators that are related to these recurring themes. They found that the UK isn't massively progressing as the focus is on monitoring rather than taking action. Consequently, the UK came in joint last place with Australia.

Caitlin noted that they then identified four areas for improvement. Firstly that there is a legal obligation for employers to publish action plans that are time bound and offer measurable criteria. Caitlin also noted that they would like to see these action plan narratives embedded within a more holistic equality assessment which allows for intersectional analysis, allowing for ethnicity pay gap to be taken into consideration. These figures would also need to be contextualised to understand all the interconnected elements that go beyond the issue of pay. Secondly they would advocate for the lowering of the minimum employee. Then thirdly, they would like to see the introduction of an automatic filing system for all submissions of the reports. Finally, they would want to see an increase in the capacity of the government's office and also the quality of the Human Rights Commission to conduct more rigorous monitoring and analysis of the submitted data.

Caitlin finished her talk by stating that there must also be a focus on the general division of labour, the undervaluation of women's work, and the over representation of women in part time.

Connect thanked Caitlin for her contribution.

The Q&A session began with the speakers being asked whether they think gender pay gap reporting needs to be mandatory, and the work that needs to be done around the threshold for this.

Dianne began answering the questions stating that gender pay gap reporting must be mandatory. This is the role of the government to push for this needed change. Ethnicity pay gap reporting must be on an equal agenda with gender pay gap reporting. The disparity for BME women in pay causes them to have a double detriment, and therefore must be acted upon.

Jemima noted that before we had mandatory gender pay gap reporting there was a voluntary scheme and participation was in the low hundreds, now we're in the 1000s. This does suggest that making it mandatory does make a difference and it sends a signal about how seriously this has been taken by government. Jemima stated that ethnicity pay gap reporting should be included also. The threshold must be lowered. Acquiring pay gap information isn't hard for organisations, and if employers do not have this information to hand then they don't know if their work force is being treated fairly and whether they are promoting the right people. Jemima noted that if you don't look at this as an employee you are missing out on opportunities to improve productivity to reward the performance to retain great staff.

One of the attendees then asked what would be the key actions to be taken in a fully comprehensive corporate action plan?

Dianne began answering this question noting that employers need to engage a staff network that is effected by the ethnicity pay gap. There is a need to involve employees when looking to bring about the change. She also explained that there needs to be a focus on the emotional impact that this has on the team.

Josie agreed that it is essential to involve your workforces in these conversations. Also involving your trade union officer, as they can ask questions to your employer which can make them dig deeper into the data. Questions such as: if you're looking at recruitment, what groups are you looking to recruit? What kinds of questions are you asking in interviews? What does the employers offer in terms of apprenticeships and are apprenticeships in technical areas offered to young women as well as young men? Focusing the employer on these things can bring positive change around productivity levels to employer/employee engagement.

Jemima noted that the gender pay gap is a multifaceted beast, and must be acted upon as such. Therefore there is an essential need for employers to understand their organisation, the dynamics between groups and the individuals themselves within it. They need to look at what the

issues are; is it about promotion, pay, recruitment, retention, or something else and then alter their action plan according to the data.

Caitlin noted that action planning is what organisations need to focus on. Moreover, organisations must look into the context of their business and the people within it to understand the deeper mechanism and how to work against the gender and ethnicity pay gaps.

Share action then joined the discussion noting that they are creating a toolkit that will provide a guide for employers to write their own pay gap reporting system, and will look at the different challenges for employers and how to overcome these. They also noted that they will be working with minority led organizations to ask difficult questions at company AGM's so this year around pay gaps.

Another of the attendees then asked what can we all do to campaign on these needed changes?

Josie began answering this question by suggesting that we all need to talk about it more and what it actually means for working people, to ensure it gets onto every employer's to do lists. Also point employers in the direction of the campaigns that are fighting for these changes.

Dianne noted that we all must make yourself familiar with what organisations, especially smaller ones, such as her's are doing. Talking to people outside of work like your family and friends and help them see how important these issues around pay gaps are. In these conversations Dianne noted that we must be talking about the gender pay gap and ethnicity pay gap together to create this real change.

Jemima also agreed that there is a need to support these key organisation campaigning against the gender pay gap. She suggests that if you feel able to speak to your employer, show them that their workforce really cares about these issues. Share information with your colleagues, talk about pay, especially when you think someone may be getting paid less than you. She noted that the more we speak out the more we can empower each other to speak out and create change.

Caitlin noted the importance of information sharing with work colleagues, and therefore building solidarity with one another. She also noted that we must talk about pay gaps of different kinds together, as they are all interconnected.

The **Secretariat Connect** thanked the speakers for their time and vital contributions to such an important discussion. It was suggested that if anyone has any work around the cost of being a women in work, then it would be great for it to be shared it with the group. The session was then closed, with everyone being thanked for joining.